

**CITY OF AUBURN
TELECOMMUNICATIONS COMMISSION**

**Thursday, May 19, 2005
4:00 p.m. to 5:30 p.m.**

Meeting Minutes

1. ROLL CALL AND DETERMINATION OF A QUORUM

Glenn Tonkin, Mark McDonald, Scott Barrow and Teresa Schreidl were in attendance. Absent: Al Stier. Meeting was called to order at 4:03 p.m. Also in attendance: Dean Henderson and Bill Weaver from Starstream and Gary Estes, private citizen.

2. AGENDA APPROVAL

Scott made the motion to approve as stated, seconded by Mark. Unanimously approved.

3. PUBLIC COMMENT

There was no public comment.

4. APPROVAL OF MINUTES

Review and approve of minutes for the regular meeting of April 21, 2005. Mark made the motion to conditionally approve the minutes with an amended change (minor) to the Starstream rate issue (\$8.00 should be \$8.80 and \$34.00 should be \$34.95). Glenn seconded the motion. Minutes were unanimously approved.

5. BUSINESS

A. Starstream Communications

1. Review and discuss draft letter requesting Starstream's consideration for limited basic tier of service.

Glenn drafted a letter and submitted a copy to each commissioner for review. This was also shared with Starstream. This letter is to be presented to the city council and city manager at the next city council meeting on May 23rd. Glenn asked Starstream to carefully consider this issue. Starstream stated the upgrade does not allow them to offer these subsidized services to the subscriber base. Charter could offer it because they had millions of customers across the nation. Starstream is a smaller business and cannot get the price breaks when negotiating programming, as they do not have the economies of scale on their side. There were no programming contracts transferred over from Charter and essentially they had 30 days to negotiate and complete these contracts. Also, they have internal rate of return hurdles that they must meet in order to pay back the loan (7 years) with their bank(s). And, finally Starstream indicated that due to the deterioration of the subscriber base (dish networks now have more than 50% of the customer base in Auburn) they are not sure they will meet their initial cost projections as they continue to upgrade this system. Bottom line, they will not offer the low cost package for basic service that Charter offered.

2. Discuss Customer Service Standards

Glenn started off the discussion about the lack of notification with regards to Starstream's rate increase of 6/1. Nothing in the subscriber's bills, a small innocuous ad buried in the Auburn Journal on May 3rd and an occasional note on Channel 4, if you stayed on the channel long enough to notice it, but nothing on Starstream's website. Glenn then read the Franchise Agreement Ordinance #04-

06, section 3A.2, which essentially states that we must be notified 30 days in advance of any price increases, programming changes, etc. Glenn also stated that not everyone reads the Auburn Journal and not to assume that you have covered the general population with this paper. Starstream indicated that per the FCC Cable Act guidelines (the Commission requested a copy of this) that a small ad in the local paper is considered adequate. They also stated it was a timing issue, meaning they needed to execute the price increase quickly and could not coordinate all the different mediums to ensure widespread knowledge of the change. Gary Estes, private citizen, then spoke up about the lack of notification and showed us his last two bills which had no information about the projected price increase. Gary was also concerned about the channel change lineup. Gary who lives in south Auburn is part of the first area to be upgraded. For whatever reason Gary did not receive the channel listing change that Starstream mailed out. He did have a door hanger, indicating that Starstream was upgrading the cable system in his neighborhood. Gary also stated that he received an initial channel lineup in the mail, when Starstream took over the system late last year. He appreciated that because he had received nothing from Charter. Starstream indicated they would get a new channel lineup program guide mailed out to Gary immediately. Gary closed the discussion by stating that when he has called Starstream they will call him back even on Saturday! He never received that kind of follow up from Charter.

Glenn shared two complaints that he had received. The first one was from Thomas R. Wright, who had a life long discounted promotion to receive premium services for \$34.46 a month from Charter. He had recently received a bill for \$94.86 for the same services from Starstream. Bill Weaver indicated that this contract was good with Charter, not with Starstream. Bill also stated that there are probably 45-65 subscribers in the Auburn market who were given similar promotional packages. Unfortunately, if these subscribers wish to receive the same services, they would need to pay the current Starstream rate. Teresa will follow up with this specific customer and explain the issue.

The second customer complaint revolved around an outage a customer experienced on a Saturday. Per Bill Weaver, if there is only one complaint they will not roll a truck, however if they have 3 or more complaints in a neighborhood then they will call someone out. Bill stated that in most cases, these specific problems indicate a channel box problem. However, Glenn indicated that he knew this person from his work, and they were disappointed by the lack customer service and follow up, consequently he terminated his service with Starstream and went back to the dish network. Bill stated he was frustrated by their contracted answering service and would investigate the issue, internally.

3. Status of system upgrade

Dean Henderson stated that they were now stringing fiber on Borland Ave. Overall, they were on schedule, if not slightly ahead from a construction perspective. Node A01, A02, A03 and A05 are now complete. Node A06 will be done next week and they are also working on A07. By the end of June they should have 11 active nodes. They will not communicate to the general public that they are ahead of schedule, instead they will stick to their original time lines, otherwise it causes confusion. They will continue to communicate 45 days prior to service upgrade in each neighborhood. Essentially, they do not foresee any major obstacles at this point.

4. Status of local office acquisition

Dean submitted a list of potential office targets that they were investigating:

Parkhill Building 500 Auburn/Folsom Rd
200 Linden Avenue
1101 Maidu Avenue

Dean indicated they were close to submitting an RFP for one of these locations. They like the Linden Avenue, if they can find out about the adjacent lot next to this building. This might make an overall good location for all of their departments. The time line is still fuzzy, but Dean indicated it would be sooner than later.

B. City

1. Continue discussion and propose implementation plan to better support subscriber questions and complaints.
Commission members continued to discuss the best way to handle complaints without calls going directly to the city manager before going to Starstream. Overall, Commission agreed that a voice-mailbox as part of the city of Auburn PBX would be the best plan. Glenn will work with city MIS person to implement this trial and see how it works.

C. ACTV Update

Per Glenn, Walter Baker is the new studio manager and Parker McDonald is the office manager. No board meeting took place this past month.

6. CORRESPONDENCE

No correspondence received.

7. INFORMATION AND ANNOUNCEMENTS BY COMMISSIONERS

Scott Barrow made it official that he will be relocating to Plano, Texas on June 16. Scott is being promoted to Director at Alcatel and we wish him and his family a safe move to the Lone Star state. Good luck Scott!

8. AGENDA ITEMS, DATE, AND TIME OF NEXT MEETING

Next proposed meeting – June 9, 2005 - Time: 4:00 pm

9. ADJOURNMENT

Meeting was adjourned at 6:01 pm